

TO: The Honorable Board of Supervisors

FROM: F. Craig Meadows, County Administrator  
L. Carol Edmonds, Assistant County Administrator

DATE: August 13, 2012

**SUBJECT: AGENDA REPORT**

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**I. CALL TO ORDER**

**II. INTO CLOSED MEETING**

BE IT RESOLVED, The Board of Supervisors hereby enters into Closed Meeting for the purpose of discussing the following:

- Section 2.2-3711      (1) Discussion, Consideration or Interviews of Prospective Candidates for Employment; Assignment, Appointment, Promotion, Performance, Demotion, Salaries, Disciplining or Resignation of Specific Officers, Appointees or Employees of Any Public Body
1. Agency on Aging
  2. Montgomery Tourism Development Council
  3. Planning Commission
  4. Transportation Safety Commission
  5. Personnel

**III. OUT OF CLOSED MEETING**

BE IT RESOLVED, The Board of Supervisors ends their Closed Meeting to return to Regular Session.

**IV. CERTIFICATION OF CLOSED MEETING**

WHEREAS, The Board of Supervisors of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, That the Board of Supervisors of Montgomery County, Virginia hereby certifies that to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting

requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion conveying the closed meeting were heard, discussed or considered by the Board.

VOTE

AYES

NAYS

ABSENT DURING VOTE

ABSENT DURING MEETING

**V. INVOCATION**

**VI. PLEDGE OF ALLEGIANCE**

**VII. DEDICATION – PLAQUE FOR CHIEF PUG WELLS**

Dedication of the plaque in memory of M. L. “Pug” Wells, Chief of the Elliston Volunteer Fire Department, installed on the chair used by Chief Wells in the Board Chambers.

**VIII. DELEGATION**

**A. VIRGINIA DEPARTMENT OF TRANSPORTATION**

David Clarke, VDOT Resident Administrator, will update the Board of Supervisors on road issues/concerns in Montgomery County.

**IX. PUBLIC HEARING**

**A. SUBJECT: BOARD OF SUPERVISORS**

The following public hearing was advertised pursuant to law in the “BURGS” Section of the Roanoke Times on July 8, 2012:

1. Montgomery County becoming a Member of the Blacksburg-Christiansburg - VPI Water Authority

Montgomery County becoming a member of the Blacksburg-Christiansburg-VPI Water Authority (the “Authority”) and on the Amendment and Restatement of the Articles of Incorporation of the Authority, the Joinder Agreement, and the Amended and Restated Water

Agreement to accomplish such purpose and to change the name of the Authority to the NRV Regional Water Authority.

**TAB A.**

**X. PUBLIC ADDRESS**

**XI. ADDENDUM**

**XII. CONSENT AGENDA**

**XIII. NEW BUSINESS**

**A. SUBJECT: ECONOMIC DEVELOPMENT AUTHORITY  
ISSUANCE OF REVENUE BONDS -  
WARMHEARTH**

**R-FY-13-  
RESOLUTION OF THE BOARD OF SUPERVISORS OF  
MONTGOMERY COUNTY, VIRGINIA WITH RESPECT TO ISSUANCE  
OF REVENUE BONDS BY THE ECONOMIC DEVELOPMENT  
AUTHORITY OF MONTGOMERY COUNTY, VIRGINIA AND BY THE  
INDUSTRIAL DEVELOPMENT AUTHORITY OF CRAIG COUNTY,  
VIRGINIA**

WHEREAS, The Economic Development Authority of Montgomery County, Virginia (the "Authority"), has considered the request of Warm Hearth Inc. and NRV Nursing Center, Incorporated (the "Applicants"), each a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), to issue the Authority's revenue bond or other obligation in an aggregate principal amount not to exceed \$11,300,000 (the "Bond"); and

WHEREAS, Proceeds of the Bond will be used, together with other funds provided by or on behalf of the Applicants, to assist the Applicants in (a) refunding all or a portion of the Authority's Residential Care Facility Revenue Bonds (Warm Hearth Project), Series 1998 (the "Refunded Bonds"), originally issued in the aggregate principal amount of \$14,215,000, which financed, among other things, the costs of acquiring, constructing, and equipping an approximately 120 bed nursing and assisted living facility consisting of approximately 64,000 square feet located on approximately 5 acres located at 1000 Litton Drive, Blacksburg, Virginia 24060 and 15 independent senior living townhome units located on approximately 25 acres within the Warm Hearth Village located at 2603 Warm Hearth Drive, Blacksburg, Virginia 24060, in Montgomery County,

Virginia (the “Project”); and (b) paying certain costs of issuance relating to the Bond; and

WHEREAS, Section 147(f) of the Code provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds and Sections 15.2-4905 and 15.2-4906 of the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), set forth the procedure for such public and related approvals; and

WHEREAS, Since the Authority issues bonds on behalf of Montgomery County, Virginia (“Montgomery County”), the Project is located in Montgomery County and the Board of Supervisors of Montgomery County (the “Board”) constitutes the highest elected governmental unit of Montgomery County, it is required that the Board approve the issuance of the Bond; and

WHEREAS, Following a public hearing held on July 17, 2012, the Authority adopted an inducement resolution (the “Inducement Resolution”) with respect to the issuance of the Bond, and the Inducement Resolution also approved the issuance of the Bond and recommended the Board approve the issuance of the Bond; and

WHEREAS, A copy of the Inducement Resolution, the action taken by the Authority with respect to the public hearing and a Fiscal Impact Statement have been filed with the Board; and

WHEREAS, Simultaneously with the issuance of the Bond, the Industrial Development Authority of Craig County, Virginia (the “Craig Authority”) may also issue its revenue bond or other obligation (the “Craig Bond”) to assist the Applicants in financing or refinancing the Project; and

WHEREAS, Since the Project is located in Montgomery County, it is required that the Board also approve the issuance of the Craig Bond; and

WHEREAS, The Craig Authority adopted an inducement resolution (the “Craig Inducement Resolution”) with respect to the issuance of the Craig Bond on June 20, 2012, and following a public hearing held on July 18, 2012, adopted a separate resolution recommending and requesting that the Board concur in the Craig Inducement Resolution and approve the issuance of the Craig Bond; and

WHEREAS, The Authority recommends and requests that the Montgomery Board concur in the Craig Inducement Resolution and approve of the issuance of the Craig Bond by the Craig Authority with respect to the Project; and

WHEREAS, A copy of the Craig Inducement Resolution, the action taken by the Craig Authority with the respect to the public hearing and a separate Fiscal Impact Statement relating to the Craig Authority have been filed with the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF MONTGOMERY COUNTY, VIRGINIA:

1. Approval of Bond. The Board approves the issuance by the Authority of the Bond in the aggregate principal amount not to exceed \$11,300,000, for the benefit of the Applicants, as required by Section 147(f) of the Code and Section 15.2-4906 of the Virginia Code, to permit the Authority to assist the Applicants in financing or refinancing the Project.
2. Approval of Craig Bond. The Board concurs in the Craig Inducement Resolution and approves the issuance by the Craig Authority of the Craig Bond in the aggregate principal amount not to exceed \$11,300,000, for the benefit of the Applicants, as required by Section 147(f) of the Code and Sections 15.2-4905 and 15.2-4906 of the Virginia Code, to permit the Authority to assist the Applicants in financing or refinancing the Project.
3. Montgomery County Not Obligated. The approval of the issuance of the Bond and the Craig Bond does not constitute an endorsement to a prospective purchaser of the creditworthiness of the Project or the Applicants and, as and to the extent required by Section 15.2-4909 of the Virginia Code, the Bond and the Craig Bond shall each provide that neither Montgomery County nor the Authority shall be obligated to pay the Bond or the Craig Bond or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including Montgomery County and the Authority, shall be pledged thereto.
4. Effective Date. This resolution shall take effect immediately upon its adoption.

ISSUE/PURPOSE: To approve the issuance of Revenue Bonds by the Economic Development Authority of Montgomery County, and by the Industrial Development Authority of Craig County.

JUSTIFICATION: The Economic Development Authority of Montgomery County has considered the request of Warm Hearth Inc. and NRV Nursing Center, Incorporated to issue a revenue bond not to exceed \$11,300,000 to help finance or refinance WarmHearth projects. The Craig County Industrial

Development Authority may also issue its revenue bond or other obligation to assist the Applicants in financing or refinancing the projects. See TAB **D**

**B. SUBJECT: RESOLUTION DECLARING THE METHOD OF REIMBURSEMENT FOR STATE BUDGET CUTS**

**R-FY-13-  
STATE BUDGET CUTS METHOD  
OF REIMBURSEMENT FOR FY 2013**

WHEREAS, The 2012 Appropriations Act requires the reduction in state aid to local governments in FY 2013; and

WHEREAS, The Act also provides three methods from which a locality can choose to carry out the required reduction which include:

1. Take the reduction from one or more programs on a list provided by the Department of Planning and Budget,
2. Make a reimbursement payment directly to the state for the total locality reduction,
3. Elect a combination of reductions and reimbursement payments,

WHEREAS, The Department of Planning and Budget identified Montgomery County's reduction for FY 2013 totaling \$344,671.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Supervisors of Montgomery County, Virginia that Montgomery County elects to take the reduction from one or more programs on a list provided by the Department of Planning and Budget, as the method to address the required state mandated funding reduction.

ISSUE/PURPOSE: Selection of method to administer the FY 2013 Flexible Cut.

JUSTIFICATION: This resolution elects the method of administering the Flexible Cut that is consistent with the County's FY 13 Approved Budget. The amount of the cut is \$344,671, which includes the Comprehensive Services Act (\$60,284) and the Juvenile Detention Home (\$29,993) both of which will absorb revenue reductions. The remaining \$254,394 has been accommodated within the FY 13 Approved Budget. The deadline for informing the state of the County's

reduction method is August 30, 2012. No appropriation is required for these funds as no expenditure adjustments are necessary.

**C. SUBJECT: DECLARATION OF LOCAL EMERGENCY – DERECHO STORM**

**R-FY-13-  
DECLARATION OF LOCAL EMERGENCY  
ON JUNE 30, 2012 DUE TO DERECHO STORM DAMAGE  
AND SEVERE POWER OUTAGES DURING EXTENDED HEAT WAVE**

WHEREAS, Pursuant to Section 44-146.21 of the Code of Virginia, on June 30, 2012 at 10:00 a.m. a local emergency was declared in Montgomery County due to Derecho storm damage and severe power outages throughout the County, leaving approximately 20,000 citizens without power during an extended heat wave; and

WHEREAS, This declaration was determined necessary by the County Administrator and the Emergency Services Coordinator; and

WHEREAS, The Board of Supervisors could not convene to declare a local emergency and so the Board desires to confirm at their next regularly scheduled meeting the existence of a local emergency due to Derecho storm damage and severe power outages throughout the County.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED, By the Board of Supervisors of Montgomery County, Virginia that an emergency existed throughout the County of Montgomery, Virginia on June 30, 2012; and

IT IS FURTHER PROCLAIMED AND ORDERED, That during the existence of said emergency the powers, functions, and duties of the Director of Emergency Services and the Emergency Services Coordinator, shall be those prescribed by state law and the ordinance, resolutions, and approved plans of the County of Montgomery in order mitigate the effects of said emergency.

ISSUE/PURPOSE: Officially declare a local emergency on June 30, 2012 due to Derecho storm damage and severe power outages during an extended heat wave.

JUSTIFICATION: The County Administrator and the Emergency Services Coordinator determined it was necessary to declare a local emergency due to the damages and severe power outages throughout the County. Since the Board of Supervisors could not convene to declare a local emergency, State Code requires that the BoS confirm at the next regular meeting the

existence of a local emergency due to the events as listed in the above resolution.

#### **XIV. INTO WORK SESSION**

BE IT RESOLVED, The Board of Supervisors hereby enters into Work Session for the purpose of discussing the following:

1. FY 12 Carryover Funds
2. Tax Relief for the Elderly and Disabled

#### **XV. OUT OF WORK SESSION**

BE IT RESOLVED, The Board of Supervisors ends their Work Session to return to Regular Session.

#### **XVI. COUNTY ATTORNEY'S REPORT**

#### **XVII. COUNTY ADMINISTRATOR'S REPORT**

#### **XVIII. BOARD MEMBERS' REPORT**

1. Supervisor Creed
2. Supervisor Gabriele
3. Supervisor Tuck
4. Supervisor Brown
5. Supervisor Biggs
6. Supervisor Perkins
7. Supervisor Politis

#### **XIX. OTHER BUSINESS**



## **XX. ADJOURNMENT**

### **FUTURE MEETINGS**

Adjourned Meeting  
Monday, August 27, 2012  
6:00 p.m. Closed Meeting  
7:15 p.m. Regular Meeting

Regular Meeting  
Monday, September 10, 2012  
6:00 p.m. Closed Meeting  
7:15 p.m. Regular Meeting